

Message Text

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PAGE 01 NEW DE 01969 091430Z

ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 L-03 H-01 SCS-03 AID-05 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02
OPIC-03 SP-02 CIEP-01 OMB-01 /056 W
-----091522Z 110145 /53

R 091255Z FEB 77

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 1128

INFO AMCONSUL BOMBAY

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E.O. 11652: N/A

TAGS: BGEN, EINV, CASC, IN

SUBJECT: HONEYWELL

1) EMBOFF CALLED ON S.B. JAIN, DIRECTOR, ENFORCEMENT DIRECTORATE, ON FEBRUARY 8 TO INQUIRE WHETHER THE PRESENCE OF RICHARD BONCY, OFFICE OF THE GENERAL COUNSEL, HONEYWELL, WOULD EXPEDITE THE RESOLUTION OF THE HONEYWELL CASE.

2) JAIN CONFIRMED THAT SHOW CAUSE NOTICES HAD BEEN ISSUED TO HONEYWELL INDIA LTD. AND THAT THE ENFORCEMENT DIRECTORATE WAS EXPECTING THE RESPONSE OF THE INDIAN COMPANY TO THESE NOTICES. ONCE THE COMPANY'S RESPONSE IS RECEIVED, THERE WILL BE HEARINGS ON THESE NOTICES AND AT THAT TIME IT MIGHT BE HELPFUL IF BONCY WERE TO COME TO INDIA, HE SAID, HIS PRESENCE IN THE INTERIM WOULD NOT SERVE ANY PARTICULAR PURPOSE, AND JAIN ADVISES THAT HONEYWELL CONTINUE TO WORK THROUGH ITS ATTORNEY

3) JAIN HAD NOT SEEN HONEYWELL'S LETTER OF JANUARY 24 TO THE ENFORCEMENT DIRECTORATE. HE COMMENTED THAT THE TWO COMMISSIONS PAID TO THE SPECIAL HONEYWELL INDIA ACCOUNT WERE AS A RESULT OF BUSINESS DONE IN INDIA AND THEREFORE WERE TAXABLE HERE, BUT STRESSED THAT HE WISHES TO STUDY THE LETTER BEFORE RENDERING ANY FORMAL OPINION. HE EXPRESSED APPRECIATION FOR THE FACT THAT

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PAGE 02 NEW DE 01969 091430Z

HONEYWELL WAS FORTHCOMING IN SUPPLYING A TRANSCRIPT OF THE ACCOUNT. HE NOTED THAT OFTEN FOREIGN PARENT FIRMS WERE UNAWARE OF THE LEGALITY OF ACTIVITIES OF LOCAL OPERATIONS BECAUSE THESE ACTIVITIES DID NOT CONTRAVENE LAWS IN THE HOME COUNTRY. SUCH MIGHT BE THE CASE WITH HONEYWELL, AND THE GOOD INTENTIONS OF THE AMERICAN COMPANY WOULD BE TAKEN INTO ACCOUNT AT THE HEARING, HE SAID. HE ALSO OFFERED TO EXPEDITE THE HEARING, IF THE COMPANY WISHED.

4) IN RESPONSE TO OUR INQUIRY, JAIN SAID THAT REGULATIONS PROVIDED FOR FINES UP TO FIVE TIMES THE AMOUNT INVOLVED, BUT THAT THE MAXIMUM FINE WAS ONLY LEVIED IN ONE OR TWO PERCENT OF THE CASES.
SCHNEIDER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 09-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NEWDE01969
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770046-0516
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
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Litigation History:
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Page Count: 2
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Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3365543
Secure: OPEN
Status: NATIVE
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TAGS: BGEN, EINV, CASC, IN, HONEYWELL INDIA LTD
To: STATE
Type: TE
vdkgvkey: odb://SAS/SAS.dbo.SAS_Docs/51d818c9-c288-dd11-92da-001cc4696bcc
Review Markings:
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